

## **An Overview of Shelby County's 2013 Annual Trending**

### **July 8, 2013**

The following steps were taken to conduct the 2013 annual trending in Shelby County:

#### **Step 1: Re-Delineation of Neighborhoods**

The vast majority of neighborhoods in Shelby County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. Additional re-delineation of some neighborhoods has occurred each year thereafter as further analysis indicated such action was appropriate.

#### **Step 2: Calculation of New Land Values\*\***

As required in the General Reassessment, new land values were established in July, 2011 and have been implemented since that time. No other changes have been made to the land order since that time, except in neighborhood 3105510. The new agricultural land rate has also been implemented for 2013. Please note that for the vacant residential portion of the ratio study, sales from 2011 and 2010 were used in order to expand the sample size. These two years of sales were not time adjusted, as land values have remained the same from 2010 forward.

#### **Step 3: Calculation of New Residential Factors & Residential Studies\*\***

Shelby County implemented the new cost tables from the Department of Local Government Finance. Further, a preliminary ratio study was then conducted for improved residential properties at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Shelby County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required.

#### **Step 4: Updated Commercial & Industrial Improvement Values\*\***

Shelby County implemented the new cost tables from the Department of Local Government Finance.

**\*\*Please note that the period of time from which sales were used for this ratio study was from 1/1/2012 to 2/28/2013. Every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant commercial property and all industrial property in Shelby County, no additional usable sales data was yielded even when attempting to expand the sales window back to 2008.**